

Exhibit B

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Publications See Pinterest as Key Ally

By CHRISTINE HAUGHNEY SEPT. 21, 2014

Autumn is not yet upon us, but Jill Waage, a top editor at Better Homes and Gardens, has already predicted some of the biggest trends of the coming holidays. Painted pumpkins are about to replace carved pumpkins. Snowman cookies with jiggly eyes will overtake traditional gingerbread men. And decorative ribbons on Christmas presents are going to get much more creative.

But instead of spotting these trends by consulting colleagues or outside experts, Ms. Waage has tapped Pinterest, the social media site that lets its members pin, or post, images of their favorite foods, hairstyles and clothes. Pinterest has forged close relationships with magazines, especially those focused on women, who make up 71 percent of Pinterest users. It is a leading driver of traffic to certain magazines, and in some cases — like Self — it serves as a bigger source of reader referrals than either Facebook or Twitter.

“That’s one more piece of brain food that editors have,” Ms. Waage, the editorial director for home content at Better Homes, said of Pinterest. “It’s just a subconscious part of their lives now.”

And Pinterest is redoubling its focus on working with publishers. On Monday, Robert Macdonald will join the company to manage media relationships for the site, a job he previously held at Google, and it plans to hire more people in the coming months to work with digital and print magazines.

Joanne Bradford, a Pinterest executive who runs all of its partnerships, noted that because the majority of the content on Pinterest comes from what she described as “professional content creators” like magazines, it’s crucial to educate these titles on how best to use the service.

“We don’t think we’ve invested enough yet to totally capture the opportunity and to help these publishers,” Ms. Bradford said. “We think that they make a lot of quality content that pinnerers are very passionate about.”

As magazines and newspapers continue to lose print readers, they are scrambling to secure customers for their digital products and are finding them

increasingly through social media. So they are focusing more than ever on building deeper connections with Facebook, Twitter and Pinterest, which hold the promise of delivering more readers and potentially more subscribers. And publishers also hope, of course, that the increased traffic will lure more advertisers to their sites.

While Facebook and Twitter are much larger companies and capture more attention in the executive suites of old media brands, Pinterest has become a powerful force in driving web traffic. Started in 2010 by Ben Silbermann, a Google alumnus, and Evan Sharp, who trained as an architect, Pinterest is a visually rich site that lets its members upload their favorite fashion photographs, recipes and decorating tips that they then can share with other users. The company, based in San Francisco, has grown to more than 400 employees, and earlier this year it raised \$200 million in a new fund-raising round that valued it at \$5 billion.

While Pinterest attracts one-third of the number of visitors that Facebook does, the number of unique visitors to Pinterest jumped 49 percent between August 2013 and August 2014 to 64.22 million, comScore data shows. Active Pinterest users are so devoted to the site that they are spending two to three hours less a week watching television, and 43 percent of them are reading fewer magazines, according to a recent study by Ahalogy, a firm that helps companies optimize their use of Pinterest as a marketing platform.

Bob Gilbreath, president of Ahalogy, said that while Pinterest could be a huge threat to traditional print publications, it can also be an opportunity.

“The habit is moving away from a hard copy of magazines to flipping through pins on their mobile app,” Mr. Gilbreath said. “But some of the most popular content on Pinterest is magazine quality photos and journalism.”

BuzzFeed has been one of Pinterest’s most active media partners, with more readers coming to its site from Pinterest than from Twitter. It has used the site to drive traffic to visually enticing items like “31 Grilled Cheeses That Are Better Than a Boyfriend.” BuzzFeed editors have also used Pinterest to spot trends in the heartland like “Trunk or Treat,” where people in rural areas decorate car trunks and congregate in a parking lot for children to trick or treat.

“We think of Pinterest as our newsstand,” said Emily Fleischaker, BuzzFeed’s creative director. “We have to think of what works on Pinterest and mobile Pinterest every step of the production process.”

More established magazine brands at companies like Hearst are also taking

Pinterest seriously. Harper's Bazaar has attracted about 4.7 million followers on Pinterest for its fashion coverage. Cosmopolitan's piece about "21 Genius Hacks for Fixing Ruined Clothes" received 81,700 pins. Many stories in women's magazines are considered evergreen content, meaning that they have a longer shelf life and can attract readers well after their publication.

"Facebook and Twitter are things that are happening in the moment," said Brian Madden, vice president for audience at Hearst Digital. "We tend to see that a story can go up on Pinterest, do well for a while and a month later come back again."

Pinterest is hoping to broaden its relationships with publishers through its promoted pins program, an initiative it has been testing since May, where a company pays Pinterest to help increase its visibility on the site. Ms. Bradford, the Pinterest executive, said that in the future she envisioned the site working with magazines to promote items like top-pinned workouts from a fitness magazine or career advice from a business publication.

While Pinterest develops its strategy for working with publishers, magazines are increasingly finding ways to use the site. Self's editor, Joyce Chang, said that the magazine has worked with one of its advertisers, American Express, to sponsor a wake-up routine that it placed on Pinterest. She also draws inspiration from the site when deciding on coverage.

Earlier this year, she noticed that a lot of the workouts she saw on Pinterest had people exercising outdoors. So for a recent workout article, Ms. Chang replaced Self's usual white backdrops with water and mountains.

"What it gives us is a sort of ongoing window into things that our reader likes," Ms. Chang said.

Ms. Waage at Better Homes and Gardens said she was looking beyond the holiday season for future trends. For example, she has noticed on Pinterest that the color peach seems to be making a comeback.

As consumers find different ways to use the site, said Ms. Waage, "it becomes a more interesting place for us to poke around."

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